UNIV. OF MICH.

Calendar No. 1273

82D CONGRESS, 2d Session } 3 1952 SENATE { REPORT No. 1345

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COST-OF-LIVING INCREASE IN COMPENSATION AND PENSION RATES

MARCH 24, 1952.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 4394]

The Committee on Finance, to whom was referred the bill (H. R. 4394) to provide certain increases in the monthly rates of compensation and pension payable to veterans and their dependents, and for other purposes, having considered the same, report favorably thereon with amendments, and recommend that the bill as amended do pass.

The amendments are as follows:

On page 2, strike out the language in lines 1 to 9, inclusive, and insert the following:

SEC. 2. (a) Paragraph I (f), part III, Veterans Regulation Numbered 1 (a), as amended, is hereby amended to read as follows:

"(f) The amount of pension payable under the terms of part III shall be $63 monthly, except—

"(1) That where an otherwise eligible person shall have been rated permanent and total and in receipt of pension for a continuous period of ten years or reaches the age of sixty-five years, the amount of pension shall be $75 monthly;

"(2) That where an otherwise eligible person is or hereafter becomes, on account of age or physical or mental disabilities, helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person, the amount of pension shall be $126 monthly."

(b) The provisions of subsection (a) of this section shall apply to veterans of both World War I and World War II.

On page 3, between lines 10 and 11, insert new sections 5 and 6, as follows:

SEC. 5. (a) All monthly rates of pension payable to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, and dependents of such veterans which are payable under laws reenacted by the Act of August 13, 1935 (49 Stat. 614; 38 U. S. C. 368, 369), or under Acts amendatory or supplemental to such laws, are hereby increased by 5 per centum.

(b) All monthly rates of pension payable to veterans of the Civil War and dependents of such veterans which are payable under any public laws administered by the Veterans' Administration are hereby increased by 5 per centum.

SEC. 6. (a) The minimum monthly rate of pension payable to veterans of the Indian wars under the Act of March 3, 1927 (44 Stat. 1361), as amended (38 U. S.

C. 381), or the Act of August 25, 1937 (50 Stat. 786), as amended (38 U. S. C. 381–1), shall be $94.50 unless such veteran is now or hereafter becomes on account of age or physical or mental disabilities, helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, in which event the monthly rate shall be $126.

(b) All monthly rates of pension payable to dependents of veterans of the Indian wars which are payable under any public laws administered by the Veterans' Administration are hereby increased by 5 per centum.

On page 3, line 11, strike out the figure "5" and insert "7".

EXPLANATION OF AMENDMENTS

The first amendment is in the nature of clarification to assure retention of the pension rate paid under existing law to World Wars I, II, and Korean veterans who require the constant regular aid and attendance at all times. The next amendment provides (1) a 5-percent increase in pension rates of widows and veterans of the Indian wars, Civil War, and Spanish-American War and (2) would place the pension of about 124 veterans of Indian wars, whose average age is 85 years, on a parity with the Spanish-American War veterans as to the $90 rate (context of H. R. 5717 approved by House of Representatives on March 3, 1952).

GENERAL STATEMENT

This bill represents considerable study and effort on the part of the committee which held hearings and carefully considered several bills introduced to provide cost-of-living increases in the rates of compensation and pension for veterans and the dependents of veterans of World Wars I, II, Korean service, Spanish-American War, Civil War, and Indian wars.

The committee has accepted, with clarifying amendment, the provisions of the House-passed bill and added one major amendment to include the veterans and dependents of veterans of Spanish-American War, Civil War, and Indian wars. Also the committee included the context of H. R. 5717 which passed the House of Representatives on March 3, 1952, placing the nonservice pension rate of veterans of Indian wars on a parity with those of Spanish-American War veterans.

The bill, as reported by the committee, provides a 5-percent increase in the rate of service-connected compensation for veterans of all wars who are less than 50 percent disabled and a 15-percent increase for those veterans rated between 50-percent and 100-percent disabled. No increase in dependency allowance, statutory awards or allowances, including the specific injury rates under Public Law 182 of the Seventy-ninth Congress, or in subsistence allowances, is provided and there is no increase of the ceiling of $360 per month.

The compensation paid to dependents of war veterans whose death was due to service is increased by 15 percent in the cases of widows with a child and for children. No increase is provided for a widow without child or for dependent parents.

The pension rates paid for non-service-connected disability to veterans of World Wars I, II, and Korean service is increased from $60 to $63 per month and from $72 to $75 per month, the latter rate being applicable only in those cases where the veteran has reached the age of 65 or has been on the rolls as permanently and totally disabled for 10 years or more. The $120 rate which is uniform for all

wars was increased to $126 for those cases which require the constant regular aid and attendance of another person at all times. The Spanish War, Civil War, and Indian war rates paid to veterans for non-service-connected disability were increased by 5 percent. Under this bill the vast majority of these aged veterans would be entitled to increases as follows: The $90 rate would be increased to $94.50 and the $120 rate would be increased to $126. The pension which is paid to war widows in cases where the veteran's death was not due to service are increased under this bill. The widows of World Wars I, II, and Korean service have been increased from $42 to $48 per month and the rate for a widow and one child is increased from $54 to $60 per month with $7.20 for each additional child. The widows and children of Spanish War, Civil War, and Indian wars will receive a 5-percent increase. The vast majority of these widows who are of advanced age now receive $48 per month.

Under the provisions of Public Laws 868 and 876, Eightieth Congress, the rates of compensation for service-connected disability and death, based upon service in the Regular Establishment during time of peace, are 80 percent of the rates of compensation for disability or death incurred in time of war.

By virtue of enactment of Public Law 28 of the Eighty-second Congress, all of the compensation and pension rates applicable to World War II veterans and their dependents are also applicable to veterans and dependents of veterans who served on or after June 27, 1950.

COST

The Veterans' Administration estimates the cost of the House bill to be $148,090,000 and the Senate amendment to the bill would add approximately $8,000,000, making a total cost of the bill, as amended, $156,090,000.

The major rates of pension and compensation existing today, and as they are proposed to be increased by this bill, as amended, are set forth in the following tables:

Rates of compensation for service-connected disabilities for veterans

	War service-connected rates, Veterans Regulation 1 (a), as amended, pt. I	Wartime rates provided in H. R. 4394	Peacetime service-connected rates, Veterans Regulation 1 (a), as amended, pt. II	Peacetime rates provided in H. R. 4394
(a) 10 percent disability	$15.00	$15.75	$12.00	$12.60
(b) 20 percent disability	30.00	31.50	24.00	25.20
(c) 30 percent disability	45.00	47.25	36.00	37.80
(d) 40 percent disability	60.00	63.00	48.00	50.40
(e) 50 percent disability	75.00	86.25	60.00	63.00
(f) 60 percent disability	90.00	103.50	72.00	82.80
(g) 70 percent disability	105.00	120.75	84.00	96.60
(h) 80 percent disability	120.00	138.00	96.00	110.40
(i) 90 percent disability	135.00	155.25	108.00	124.20
(j) Total disability	150.00	172.50	120.00	138.00
(k) Anatomical loss, or loss of use of 1 foot, or 1 hand, or blindness of 1 eye, having only light perception, rates (a) to (j) increased monthly by	42.00	(3)	33.60	(3)
Anatomical loss, or loss of use of 1 foot, or 1 hand, or blindness of 1 eye, having only light perception, in addition to requirement for any of rates in (l) to (n), rate increased monthly for each loss or loss of use by	[1] 42.00	(3)	[2] 33.60	(3)
(l) Anatomical loss, or loss of use of both hands, or both feet, or 1 hand and 1 foot, or blind both eyes with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, monthly compensation	240.00	(3)	192.00	(3)
(m) Anatomical loss, or loss of use of 2 extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, monthly compensation	282.00	(3)	225.60	(3)
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthetic appliance, or suffered anatomical loss of both eyes, monthly compensation	318.00	(3)	254.40	(3)
(o) Suffered disability under conditions which would entitle him to 2 or more rates in (l) to (n), no condition being considered twice, or suffered total deafness in combination with total blindness with 5/200 visual acuity or less, monthly compensation	360.00	(3)	288.00	(3)
(p) In event disabled person's service-incurred disabilities exceed requirements for any of rates prescribed, Administrator, in his discretion, may allow next higher rate, or intermediate rate, but in no event in excess of	360.00	(3)	288.00	(3)

[1] But in no event to exceed $360.
[2] But in no event to exceed $288.
[3] No change.

Rates of compensation for dependents for service-connected death

	Law		Rates provided in H. R. 4394	
	Wartime	Peacetime	Wartime	Peacetime
Widow	$75	$60.00	$75	$60.00
Widow, 1 child	105	84.00	121	96.80
Each additional child	25	20.00	29	23.20
No widow, 1 child	58	46.40	67	53.60
No widow, 2 children	82	65.60	94	75.20
No widow, 3 children	106	84.80	122	97.60
Each additional child	20	16.00	23	18.40
1 parent	60	48.00	60	48.00
2 parents, each	35	28.00	35	28.00

Pension rates for veterans of World Wars I and II and service after June 27, 1950

	Law	Rates provided in H. R. 4394
Permanent and total	$60	$63
Rates permanent and total for continuous period of 10 years or reach age 65	72	75
Regular aid and attendance	120	126

Pension rates for widows and children of veterans of World Wars I and II and service after June 27, 1950

	Law	Rates provided in H. R. 4394
Widow	$42.00	$48.00
Widow, 1 child	54.00	60.00
Each additional child	6.00	7.20
No widow, 1 child	21.60	26.00
No widow, 2 children	32.40	39.00
No widow, 3 children	43.20	52.00
Each additional child	4.80	7.20

The report of the Veterans' Administration on H. R. 4394 is as follows:

NOVEMBER 7, 1951.

Hon. WALTER F. GEORGE,
Chairman, Committee on Finance,
United States Senate, Washington, D. C.

DEAR SENATOR GEORGE: This is with further reference to your letter of June 23, 1951, requesting a report by the Veterans' Administration relating to H. R. 4394, Eighty-second Congress, an act to provide certain increases in the monthly rates of compensation and pension payable to veterans and their dependents, and for other purposes.

The purposes of the bill are as follow:

1. To increase the monthly rates of compensation for disability rated 10 percent to 49 percent by 5 percent, and for disability rated 50 percent to 100 percent by 15 percent, excluding any increases in special awards and allowances, dependency allowances, or subsistence allowances.

2. To increase the amount of pension payable under part III of Veterans Regulation No. 1 (a), as amended, from $60 to $63 monthly and from $72 to $75 monthly for those in receipt of pension for a continuous period of 10 years or reach the age of 65.

3. To increase the compensation for widows with children, and children where there is no widow, by approximately 15 percent.

4. To increase the amount of pension payable under Public Law 484, Seventy-third Congress, as amended, to a widow but no child from $42 to $48 per month; widow and one child from $54 to $60 per month, and from $6 to $7.20 for each additional child; and where there is no widow from $21.60 to $26 per month for one child; from $32.40 to $39 per month for two children; from $43.20 to $52 per month for three children and from $4.80 to $7.20 for each additional child.

The increases proposed by the bill would be effective from the first day of the second calendar month following its enactment.

The majority of cases now on the rolls are receiving compensation and pension under Public No. 2, Seventy-third Congress, March 20, 1933, as amended, and the Veterans' Regulations issued pursuant thereto. Benefits payable under Public No. 2, as amended, are available to veterans and the dependents of veterans of those who served in the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, World War I, and World War II, and those who shall have served on or after June 27, 1950, and prior to such date as shall thereafter be determined by Presidential proclamation or concurrent resolution of the Congress. By virtue of subparagraph (c), paragraph I, part II of Veterans' Regulation No. 1 (a), as amended, any veteran or the dependents of any de-

ceased veteran otherwise entitled to compensation under part II of Veterans' Regulation No. 1 (a), as amended, or the general pension law, are entitled to receive the rate of compensation provided in part I of such regulation if the disability or death of such veteran resulted from an injury or disease incurred in line of duty (1) as the direct result of armed conflict, or (2) while engaged in extra-hazardous service, including such service under conditions simulating war, or (3) while the United States is engaged in war. This provision makes veterans and the dependents of veterans of all wars eligible for the rates of part I for service-connected disability or death.

The enactment of H. R. 4394 would also effect corresponding increases in compensation rates for disability incurred in peacetime service because paragraph II, part II, Veterans' Regulation No. 1 (a), as amended by Public Law 876, Eightieth Congress, July 2, 1948, provides:

II. For the purposes of part II, paragraph I (a) hereof, if the disability results from injury or disease, the compensation shall be equal to 80 per centum of the compensation now or hereafter payable for the disability, had it been incurred in or aggravated by active military or naval service during a period of war service as provided in part I of this regulation."

Section 1 of the bill, if enacted, would increase the monthly basic rates of disability compensation for service-connected conditions prescribed by paragraph II, part I, Veterans' Regulation No. 1 (a), as amended. These basic rates under this paragraph were last increased by section 3 (a) of Public Law 339, Eighty-first Congress, October 10, 1949. The proposed increases in the present rates are shown in the following table:

Degrees of disability	Present rate	Proposed rate	Degrees of disability	Present rate	Proposed rate
10 percent	$15	$15.75	60 percent	$90	$103.50
20 percent	30	31.50	70 percent	105	120.75
30 percent	45	47.25	80 percent	120	138.00
40 percent	60	63.00	90 percent	135	155.25
50 percent	75	86.25	100 percent	150	172.50

If the disabled person has suffered the anatomical loss or loss of use of one foot, or one hand, or blindness of one eye, having only light perception, the above present rates are increased by $42. Rates ranging from $240 to $360 per month are provided for the loss or loss of use of two or more extremities, certain degrees of blindness, combinations of such disabilities, and total deafness in combination with total blindness. Under the provisions of the bill, no increase in these specific amounts would be authorized.

Section 1 of Public Law 877, Eightieth Congress, July 2, 1948, as amended by section 4 of Public Law 339, Eighty-first Congress, October 10, 1949, provides additional disability compensation on account of dependents in the case of a veteran having a disability incurred in or aggravated by service as provided in part I, or paragraph I (c), part II of Veterans Regulation No. 1 (a), as amended, who is rated at not less than 50 percent, in the following monthly amounts:

If and while rated totally disabled and—

(*a*) has a wife but no child living	$21.00
(*b*) has a wife and 1 child living	35.00
(*c*) has a wife and 2 children living	45.50
(*d*) has a wife and 3 or more children living	56.00
(*e*) has no wife but 1 child living	14.00
(*f*) has no wife but 2 children living	24.50
(*g*) has no wife but 3 or more children living	35.00
(*h*) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts each	17.50

If and while the veteran is rated partially disabled, but not less than 50 percent, the additional compensation authorized on account of dependents is in an amount having the same ratio to the amount provided for total disability as the degree of disability bears to the total disability. H. R. 4394 would not authorize any increase in the amounts shown above.

Section 2 of the bill would increase the rates of pension under part III of Veterans Regulation No. 1 (a), as amended, which provides pension for non-service-connected permanent total disability at the rate of $60 monthly except that where such veterans shall have been rated permanently and totally disabled

and in receipt of pension for a continuous period of 10 years or reach the age of 65 years the amount of pension is $72 monthly. Under the provisions of the bill, if enacted, these rates would be increased to $63 and $75, respectively.

Attention is invited to the recent enactment of Public Law 149, Eighty-second Congress, September 18, 1951, which continues the mentioned pension rates of $60 and $72 monthly now authorized, but adds a provision for payment of pension in the amount of $120 monthly for those entitled under part III who are in need of regular aid and attendance. The provisions of section 2 of the bill do not take cognizance of this new pension rate.

Section 3 of the bill would authorize an increase in the rates payable to the dependents of veterans entitled to compensation based on wartime service-connected death. The increases proposed by the bill and the rates payable under existing law are shown in the following table:

	Present rate	Proposed rate
Widow, but no child	$75	$75
Widow, 1 child	105	121
Each additional child	25	29
No widow, 1 child	58	67
No widow, 2 children	82	94
No widow, 3 children	106	122
Each additional child	20	23
Dependent mother or father	60	60
Both parents dependent ... each	35	35

The rates for peacetime service-connected death are 80 percent of the wartime rates.

Section 4 of the bill would increase the pension payable to widows and children of World War I and World War II veterans (and veterans of service on or after June 27, 1950) whose deaths are not the result of service-connected disability under Public No. 484, Seventy-third Congress, June 28, 1934, as amended. The rates of pension presently payable under this act and the rates as proposed to be increased under the bill, are shown as follows:

	Present rate	Proposed rate
Widow	$42.00	$48.00
Widow, 1 child	54.00	60.00
Each additional child	6.00	7.20
No widow, 1 child	21.60	26.00
No widow, 2 children	32.40	39.00
No widow, 3 children	43.20	52.00
Each additional child	4.80	7.20

There is enclosed a table showing the estimated cost for fiscal year 1952 of the increases in monthly rates of compensation and pension as proposed by H. R. 4394, if enacted. This estimate does not include any increases which may be involved under Public Law 28, Eighty-second Congress, May 11, 1951.

Advice has been received from the Bureau of the Budget that there would be no objection to the presentation of this report to the committee. Further, that insofar as the Bureau of the Budget is concerned, that part of the bill which would increase compensation rates up to 15 percent is without objection. However, it is the view of the Bureau of the Budget that favorable consideration should not be given to the remaining portion of the bill which would provide increased pension benefits.

Sincerely yours,

CARL R. GRAY, JR., *Administrator.*

Estimated cost, fiscal year 1952, of proposed increases in monthly rates of compensation and pension (proposed rates as indicated in footnotes)

LIVING VETERANS

	Total		Compensation		Pension	
	Cases	Estimated cost	Cases	Estimated cost	Cases	Estimated cost
World War II	1,697,600	$78,169,000	1,656,100	$76,675,000	41,500	$1,494,000
World War I	575,500	29,947,000	237,500	17,779,000	338,000	12,168,000
Regular Establishment	67,600	4,216,000	67,600	4,216,000		
Spanish-American War	800	114,000	500	103,000	300	11,000
Total	2,341,500	112,446,000	1,961,700	98,773,000	379,800	13,673,000

DECEASED VETERANS

World War II	102,600	$15,536,000	86,700	$14,293,000	15,900	$1,243,000
World War I	250,800	19,086,000	4,700	905,000	246,100	18,181,000
Regular Establishment	6,400	1,014,000	6,400	1,014,000		
Spanish-American War	640	8,000	40	7,000	600	1,000
Total	360,440	35,644,000	97,840	16,219,000	262,600	19,425,000

TOTAL LIVING AND DECEASED VETERANS

World War II	1,800,200	$93,705,000	1,742,800	$90,968,000	57,400	$2,737,000
World War I	826,300	49,033,000	242,200	18,684,000	584,100	30,349,000
Regular Establishment	74,000	5,230,000	74,000	5,230,000		
Spanish-American War	1,440	122,000	540	110,000	900	12,000
Total	2,701,940	148,090,000	2,059,540	114,992,000	642,400	33,098,000

NOTES

1. Compensation for disability rated 10 to 49 percent increased by 5 percent on basic rates, and for disability rated 50 to 100 percent increased by 15 percent on basic rates. No increases in dependency allowances, statutory awards, specific injury rates under Public Law 182, 79th Cong., and no increases in ceilings.

2. Pensions rates for permanent and total disability under pt. III, Regulation No. 1 (a), as amended, increased from $60 and $72 to $63 and $75, respectively.

3. Compensation for dependents of deceased veterans under pt. I, of Veterans Regulation No. 1 (a), as amended, at the following rates: Widow but no child, $75; widow with 1 child, $121 (with $29 for each additional child); no widow but 1 child, $67; no widow but 2 children, $94 (equally divided); no widow but 3 children, $122 (equally divided) (with $23 for each additional child; total amount to be equally divided); dependent mother or father, $60 (or both), $35 each.

4. Pension for dependents of deceased veterans as provided in sec. 2, Public Law 484, 73d Cong., as amended, at the following rates: Widow but no child, $48; widow and 1 child, $60 (with $7.20 for each additional child); no widow but 1 child, $26; no widow but 2 children, $39 (equally divided); no widow but 3 children, $52 (equally divided) with $7.20 for each additional child (the total amount to be equally divided).

Estimated cost, fiscal year 1952, of committee amendment giving 5-percent increase of pension to veterans and dependents of veterans of Indian War, Spanish-American War, and Civil War

	Total		Living veterans		Deceased veterans	
	Cases	Estimated cost	Cases	Estimated cost	Cases	Estimated cost
Spanish-American War	161,900	$7,150,000	82,200	$4,727,000	79,700	$2,423,000
Civil War	8,600	243,000	(1)	(1)	8,600	243,000
Indian War	1,860	62,000	325	19,000	1,535	43,000
Total	172,360	7,455,000	82,525	4,746,000	89,835	2,709,000

[1] Negligible.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SEC. 2. (a) Paragraph I (f), part III, Veterans Regulation Numbered 1 (a), as amended, is hereby amended to read as follows:

"(f) The amount of pension payable under the terms of part III shall be [$60] *$63* monthly, except—

"(1) That where an otherwise eligible person shall have been rated permanent and total and in receipt of pension for a continuous period of ten years or reaches the age of sixty-five years, the amount of pension shall be [$72] *$75 monthly*;

"(2) That where an otherwise eligible person is or hereafter becomes, on account of age or physical or mental disabilities, helpless or blind or so nearly helpless or blind as to need or require the regular aid and attendance of another person, the amount of pension shall be [$120] *$126 monthly.*"

(b) The provisions of subsection (a) of this section shall apply to veterans of both World War I and World War II.

Section 3 of H. R. 4394: Paragraph IV of part I of Veterans Regulation No. 1 (a), as amended:

IV. The surviving widow, child or children, and dependent mother or father of any deceased person who died as the result of injury or disease incurred in or aggravated by active military or naval service as provided in part I, paragraph I hereof, shall be entitled to receive compensation at the monthly rates specified next below:

Widow but no child, $75; widow with one child [$105] *$121* (with [$25] *$29* for each additional child); no widow but one child, [$58] *$67*; no widow but two children, [$82] *$94* (equally divided); no widow but three children, [$106] *$122* (equally divided) (with [$20] *$23* for each additional child; total amount to be equally divided); dependent mother or father, $60 (or both), $35 each.

Section 4 of H. R. 4394: Section 2 of Public Law 484, Seventy-third Congress, as amended:

SEC. 2. That the monthly rates of pension shall be as follows: Widow but no child, [$42] *$48*; widow and one child, [$54] *$60* (with [$6] *$7.20* for each additional child); no widow but one child [$21.60] *$26*; no widow but two children, [$32.40] *$39* (equally divided); no widow but three children, [$43.20] *$52* (equally divided) with [$6] *$7.20* for each additional child (the total amount to be equally divided).

O